

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: IOWA JOINT UTILITY MANAGEMENT PROGRAM, INC.	DOCKET NO. SPU-04-1
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ORDER DENYING MOTION FOR CLARIFICATION

(Issued September 22, 2004)

On August 12, 2004, the Utilities Board (Board) issued an order in this docket approving a settlement agreement filed by Iowa Joint Utility Management Program, Inc. (IJUMP), Interstate Power and Light Company (IPL), the Consumer Advocate Division of the Department of Justice (Consumer Advocate), and MidAmerican Energy Company (MidAmerican). The settlement agreement provided for the expansion of the pilot programs of IPL and MidAmerican for the transportation of natural gas by small volume customers. To implement the settlement agreement, the Board directed that IPL and MidAmerican file proposed tariffs consistent with the terms of the settlement agreement and responses to ten information requirements annually during the term of the pilot program. Cornerstone Energy, Inc. (Cornerstone), filed in support of the settlement.

On August 19, 2004, IPL filed a motion for clarification regarding the ten information requirements. On August 30, 2004, MidAmerican filed a letter stating its support of the motion for clarification filed by IPL.

The ten information requirements listed in the August 12, 2004, order are as follows:

1. Provide the number of customers who are eligible to take service under the pilot program tariffs each year.
2. Provide the participation levels of the school pilot program prior to implementation of the Settlement Agreement pilot and the current participation levels.
3. List the number of customers who take service under the pilot program who receive gas on the interstate pipeline system using firm service. Provide the number of customers that take service under other than firm service and describe the type of service the customers receive.
4. Provide the names of the certified competitive natural gas providers (CNGPs) that provide service to customers under the pilot program and the number of customers each CNGP serves.
5. Provide a comparison of the delivered price per dekatherm of gas for customers under this pilot versus what those customers would have paid as system supply customers. These figures should be provided for each month during the year.
6. Provide a description of any instances of CNGP failure of supply and how each affected customer was provided service after the failure.
7. Provide, as accurately as possible, the revenue generated under the pilot program and the costs of offering the pilot program. Provide a breakdown of program costs and revenues for the 12-month period ending August 31, 2005, and each year thereafter.
8. Provide a description and discussion of any problems encountered in implementing the pilot program and the administration of the pilot program since implementation. Address whether the problem prevented any customer wanting service under the pilot program tariffs from receiving that service.

9. Provide the number of requests or inquiries received from small volume customers who are not eligible for the pilot programs. Indicate the reason the customer did not qualify for the program and how the utility responded to the request.

10. Provide an evaluation of the effectiveness of the pilot program in meeting the needs of schools and governmental entities eligible for the program.

IPL MOTION

IPL requests clarification of information requirements 1 and 2, relating to eligible customers and participation levels. IPL states that it does not have a good way to track or identify eligible customers. IPL states that it has a tracking system but the system has not been updated consistently over the last several years. IPL states that it may be able to identify customers by the class of service received by each customer and requests clarification that this level of detail will be sufficient.

IPL also requests clarification of information requirements 3 and 5, relating to customer numbers and gas prices. IPL states that it does not gather the data requested in the two requirements. IPL states that the information concerning the degree to which service is provided on a firm basis would be available from the marketers. IPL suggests that it should only be required to provide the responses to these two requests to the extent IPL has received the information from the marketers.

IPL states with regard to information request 6, that it can only supply general information related to CNGP failure of supply. IPL states that specific information about the effect of any failure of supply on a customer will not be available. IPL requests clarification that a report regarding specific instances of CNGP failure of

supply is sufficient without reporting on specific customer impacts, because that information would only be available from marketers.

IPL also requests clarification concerning information requirement 8, relating to any problems in implementing the pilot program. IPL states that it should only be required to provide its own perspective on any problems encountered in implementing the pilot program and the administration of the pilot program. IPL states that it lacks contact with actual end users under the pilot program, since it only deals with marketers and administrators, and therefore cannot be expected to report on customer perceptions.

IPL states that it does not have the data requested by information requests 9 and 10, relating to requests from ineligible customers and effectiveness of the pilot program. IPL states that it lacks contact with end users under the pilot program since it only deals with marketers and administrators. IPL states that it should only be required to provide the information sought to the extent that the marketers make such information available to IPL.

DISCUSSION

The Board considers the motion for clarification to be premature and will deny the motion. IPL seems to be anticipating what information it will not be able to provide prior to implementation of the pilot program. This does not appear to be consistent with the provisions in the settlement agreement. In the agreement, IPL and MidAmerican agreed that the pilot program was being established to allow the

Board the opportunity to accumulate sufficient data to determine if the pilot program, among other things: 1) is cost effective, 2) would result in less reliable service for the participants, 3) would create any disparate impact on non-participants, and 4) would create any undue financial hardship for the utilities. IPL and MidAmerican agreed to cooperate and provide information, requested by the Board to assist the Board in evaluating the pilot program to address these issues. IPL also agreed to track associated internal costs.

The Board considers the requested information to be relevant, consistent with the purpose of the pilot program, and the information that will aid the Board in determining what course of action to take at the end of the pilot program. The Board expects to request additional information after it reviews the information provided by IPL and MidAmerican. The Board will also request information from CNGPs to complete the review of the pilot program.

When the annual filing is due, IPL and MidAmerican can indicate what information they have and what they do not have or are unable to obtain. The Board understands that IPL and MidAmerican may not be able to provide all of the information requested in the August 12, 2004, order, or may only be able to provide general information, while more specific information must be obtained from the CNGPs. However, the Board expects IPL and MidAmerican to make a reasonable effort to obtain as much of the required information as possible so the Board can evaluate the effectiveness of the pilot program. Where IPL and MidAmerican do not

have direct contact with the end-users, they can so state, and then provide whatever information they have along with any insights they may have developed or any analyses they have performed.

IT IS THEREFORE ORDERED:

The "Motion For Clarification" filed by Interstate Power and Light Company on August 19, 2004, is denied.

UTILITIES BOARD

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 22nd day of September, 2004.